

# **EXHIBIT 4**

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# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-K

Annual Report Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended February 26, 2022

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 0-20214

### **BED BATH & BEYOND INC.**

(Exact name of registrant as specified in its charter)

**New York**

(State or other jurisdiction of  
incorporation or organization)

**11-2250488**

(IRS Employer  
Identification No.)

**650 Liberty Avenue, Union, New Jersey 07083**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **908/688-0888**

**Securities registered pursuant to Section 12(b) of the Act:**

<b><u>Title of each class</u></b>	<b><u>Trading Symbol (s)</u></b>	<b><u>Name of each exchange on which registered</u></b>
Common stock, \$.01 par value	BBBY	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer ☒  
Non-accelerated filer ☐  
Emerging growth company ☐

Accelerated filer ☐  
Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. \_\_\_\_

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

As of August 28, 2021, the aggregate market value of the common stock held by non-affiliates (which was computed by reference to the closing price on such date of such stock on the Nasdaq Global Select Market) was \$2,838,477,804.\*

The number of shares outstanding of the registrant's common stock (par value \$0.01 per share) at March 26, 2022: 79,845,789.

#### **Documents Incorporated by Reference**

Portions of the Registrant's definitive proxy statement for the 2022 Annual Meeting of Shareholders to be filed pursuant to Regulation 14A are incorporated by reference in Part III hereof.

\* For purposes of this calculation, all outstanding shares of common stock have been considered held by non-affiliates other than the 866,820 shares beneficially owned by directors and executive officers. In making such calculation, the Registrant does not determine the affiliate or non-affiliate status of any shares for any other purpose.

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base availability. Borrowing base availability under the ABL Facility is based upon a specified borrowing base consisting of a percentage of our eligible inventory and credit card receivables as defined in the ABL Facility, net of applicable reserves (see "Long Term Debt," Note 7 to the accompanying consolidated financial statements). As of February 26, 2022, the Company had no loans outstanding and had outstanding letters of credit of \$96.4 million under the ABL Facility.

In Fiscal 2020, similar to other retailers, we withheld portions of and/or delayed payments to certain of our business partners as we sought to renegotiate payment terms, in order to further maintain liquidity during the period of temporary store closures. In some instances, the renegotiations of lease terms have led to agreements with landlords for rent abatements or rental deferrals. Total payments withheld and/or delayed or deferred as of February 26, 2022 were approximately \$1.9 million and are included in current liabilities. During Fiscal 2021, we recognized reduced rent expense of \$2.7 million related to rent abatement concessions. Additional negotiations of payment terms are still in process, and there can be no assurance that we will be able to successfully renegotiate payment terms with all such business partners, and the ultimate outcome of these activities including the responses of certain business partners are not yet known. We are also executing on our business transformation program, which includes the closure, as of February 26, 2022, of 207 mostly Bed Bath & Beyond stores under our store fleet optimization program and the introduction of new Owned Brand products in a number of categories.

Our liquidity may continue to be negatively impacted by the uncertainty regarding the spread of COVID-19 and the timing of economic recovery (see "Item 1A - Disruptions in the financial markets could have a material adverse effect on the Company's ability to access our cash and cash equivalents").

#### *Capital Expenditures*

Capital expenditures for Fiscal 2021 were \$354.2 million, and for Fiscal 2022 are projected to be approximately \$390.0 million to \$410.0 million. Our capital expenditures in Fiscal 2021 were related to digital and omni-channel capabilities, store remodels and investments in technology across a number of areas including supply chain, merchandising and finance.

We continue to review and prioritize our capital needs and remain committed to making the required investments in our infrastructure to help position us for continued growth and success. Key areas of investment include: continuing to improve the presentation and content as well as the functionality, general search and navigation across our customer facing digital channels; improving customer data integration and customer relations management capabilities; continuing to enhance service offerings to our customers; continuing to strengthen and deepen our information technology, analytics, marketing, e-commerce, merchandising and finance capabilities; and creating more flexible fulfillment options designed to improve our delivery capabilities and lower our shipping costs. These and other investments are expected to, among other things, provide a seamless and compelling customer experience across our omni-channel retail platform.

#### *Stock Repurchases*

During Fiscal 2021, we repurchased approximately 28.3 million shares of our common stock, at a total cost of approximately \$589.4 million, which included approximately 27.7 million shares at a total cost of approximately \$574.9 million repurchased under our share repurchase programs as authorized by our Board of Directors, as well as approximately 0.6 million shares, at a total cost of approximately \$14.5 million to cover employee related taxes withheld on vested restricted stock, restricted stock unit awards and performance stock unit awards.

During Fiscal 2021, we announced that we intended to complete our \$1 billion three-year share repurchase plan two years ahead of schedule. The repurchases made during Fiscal 2021 of \$574.9 million, combined with the accelerated share repurchase programs entered into in Fiscal 2020 totaling \$375.0 million (discussed below), resulted in the repurchase of \$950.0 million under this plan as of February 26, 2022. An additional approximately \$40.0 million was repurchased in March of 2022.

In the first quarter of Fiscal 2020, the Company had postponed share repurchases, but lifted this postponement in October 2020. In October 2020, the Company entered into an accelerated share repurchase agreement with JPMorgan Chase Bank, National Association to repurchase \$225.0 million of its common stock, subject to market conditions, which settled in the fourth quarter of Fiscal 2020, resulting in the repurchase of a total of 10.8 million shares. In January 2021, the Company entered into a second accelerated share repurchase agreement to repurchase an aggregate \$150.0 million of its common stock, subject to market conditions. This resulted in the repurchase of 5.0 million shares in the fourth quarter of Fiscal 2020, and an additional 0.2 million shares received upon final settlement in the first quarter of Fiscal 2021. During Fiscal 2020, the Company also repurchased approximately 0.6 million shares of its common

stock, at a total cost of approximately \$5.1 million, to cover employee related taxes withheld on vested restricted stock, restricted stock unit awards and performance stock unit awards.

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Between December 2004 and April 2021, the Company's Board of Directors authorized, through several share repurchase programs, the repurchase of \$12.950 billion of its shares of common stock. Since 2004 through the end of Fiscal 2021, the Company has repurchased approximately \$11.685 billion of its common stock through share repurchase programs. The Company also acquires shares of its common stock to cover employee related taxes withheld on vested restricted stock, restricted stock units and performance stock unit awards. Since the initial authorization in December 2004, the aggregate total of common stock repurchased is approximately 262.2 million shares for a total cost of approximately \$11.685 billion. The Company had approximately \$1.267 billion remaining of authorized share repurchases as of February 26, 2022.

Decisions regarding share repurchases are within the discretion of the Board of Directors, and are influenced by a number of factors, including the price of our common stock, general business and economic conditions, our financial condition and operating results, the emergence of alternative investment or acquisition opportunities, changes in business strategy and other factors. Our share repurchase program could change, and could be influenced by several factors, including business and market conditions, such as the impact of the COVID-19 pandemic on our business operations or stock price. We review our alternatives with respect to our capital structure on an ongoing basis. Any future share repurchases will be subject to the determination of the Board of Directors, based on an evaluation of our earnings, financial condition and requirements, business conditions and other factors, including the restrictions on share repurchases under the ABL Facility (see "Long Term Debt," Note 7 to the accompanying consolidated financial statements).

*Debt Repurchases*

During Fiscal 2021 we purchased approximately \$11.0 million aggregate principal amount of our outstanding 3.749% senior unsecured notes due August 1, 2024. During Fiscal 2020, we purchased approximately \$300.0 million aggregate principal amount of our outstanding 4.915% Senior Notes due 2034 and 5.165% Senior Notes due 2044.

*Cash flow from operating activities*

Net cash provided by operating activities for Fiscal 2021 was \$17.9 million, compared with net cash provided by operating activities of \$268.1 million in Fiscal 2020. The year-over-year change in operating cash flow was primarily due to higher net loss, adjusted for non-cash expenses, which included the impact of higher restructuring and transformation expenses in Fiscal 2021, as well as investments in inventory, including as a result of changing the timing of purchasing in response to the potential impact of global supply chain disruptions on timing of inventory receipts and availability of product in our stores and on our websites, and lower accounts payable, due primarily to timing of payments for merchandise, and accrued liabilities, including lower incentive compensation accruals. There were partially offset by a decrease in other current assets primarily due to the receipt of income tax refunds in Fiscal 2021. For Fiscal 2020, the decrease in cash provided by operating activities was primarily due to the net decrease in cash provided by components of working capital (primarily merchandise inventories and other current assets, partially offset by accounts payable). This decrease was partially offset by a decrease in net loss, adjusted for non-cash expenses.

Retail inventory, which includes inventory in our distribution facilities for direct to customer shipments, was approximately \$1.725 billion at February 26, 2022, an increase of 3.2% compared with retail inventory at February 27, 2021. We continue to focus on our inventory optimization strategies while also responding to the potential impact of global supply chain disruptions on product availability. Retail inventory at February 27, 2021 decreased approximately 18.0% compared to retail inventory at February 29, 2020, which was primarily related to the Fiscal 2020 divestitures.

*Cash flow from investing activities*

Net cash used in investing activities for Fiscal 2021 was \$349.2 million, compared with net cash provided by investing activities of \$737.9 million in Fiscal 2020. For Fiscal 2021, net cash used in investing activities included \$354.2 million of capital expenditures. For Fiscal 2020, net cash provided by investing activities was comprised of \$386.5 million of redemptions of investment securities and \$534.5 million in proceeds from the sale of PMall, CTS and Linen Holdings businesses, partially offset by \$183.1 million of capital expenditures.

*Cash flow from financing activities*

Net cash used in financing activities for Fiscal 2021 was \$606.0 million, compared with net cash used in financing activities of \$632.3 million in Fiscal 2020. Net cash used in financing activities in Fiscal 2021 was primarily comprised of repurchases of common stock of \$589.4 million, of which \$574.9 million was related to our share repurchase program, repayments of long-term debt of \$11.4 million

and payments of deferred financing costs of \$3.4 million. Net cash used in financing activities in Fiscal 2020 was comprised of net repayments of long-term debt of \$221.4 million, a \$47.6 million prepayment under an accelerated

**BED BATH & BEYOND INC. AND SUBSIDIARIES****Consolidated Balance Sheets**  
**(in thousands, except per share data)**

	February 26, 2022	February 27, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 439,496	\$ 1,352,984
Merchandise inventories	1,725,410	1,671,909
Prepaid expenses and other current assets	198,248	595,152
Total current assets	2,363,154	3,620,045
Long term investment securities	19,212	19,545
Property and equipment, net	1,027,387	918,418
Operating lease assets	1,562,857	1,587,101
Other assets	157,962	311,821
Total assets	\$ 5,130,572	\$ 6,456,930
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 872,445	\$ 986,045
Accrued expenses and other current liabilities	529,371	636,329
Merchandise credit and gift card liabilities	326,465	312,486
Current operating lease liabilities	346,506	360,061
Total current liabilities	2,074,787	2,294,921
Other liabilities	102,438	82,279
Operating lease liabilities	1,508,002	1,509,767
Income taxes payable	91,424	102,664
Long term debt	1,179,776	1,190,363
Total liabilities	4,956,427	5,179,994
Shareholders' equity:		
Preferred stock - \$0.01 par value; authorized - 1,000 shares; no shares issued or outstanding	—	—
Common stock - \$0.01 par value; authorized - 900,000 shares; issued 344,146 and 343,241, respectively; outstanding 81,979 and 109,621 shares, respectively	3,441	3,432
Additional paid-in capital	2,235,894	2,152,135
Retained earnings	9,666,091	10,225,253
Treasury stock, at cost; 262,167 and 233,620 shares, respectively	(11,685,267)	(11,048,284)
Accumulated other comprehensive loss	(46,014)	(55,600)
Total shareholders' equity	174,145	1,276,936
Total liabilities and shareholders' equity	\$ 5,130,572	\$ 6,456,930

See accompanying Notes to Consolidated Financial Statements.